

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan W. W. GRAINGER, INC. 401K PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 02/01/2010
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) W. W. GRAINGER, INC. 100 GRAINGER PARKWAY LAKE FOREST, IL 60045-5201
2b	Employer Identification Number (EIN) 36-1150280
2c	Plan Sponsor's telephone number 224-317-1142
2d	Business code (see instructions) 423800

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2024	LISA THOMPSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1015
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 735 6a(2) 675 6b 0 6c 310 6d 985 6e 7 6f 992 6g(1) 1002 6g(2) 970 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 2E 2F 2G 2J 2K 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached _____
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan W. W. GRAINGER, INC. 401K PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 W. W. GRAINGER, INC.	D Employer Identification Number (EIN) 36-1150280	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
THE VANGUARD GROUP, INC.
23-1945930

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE VANGUARD GROUP, INC.

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 16 25 37 52 99	NONE	39554	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	99	85620
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
HEALTHEQUITY, INC. 52-2383166	FOR PLAN SPONSORS THAT HAVE ENGAGED HEALTHEQUITY INC. AS THEIR HEALTH SAVINGS ACCOUNT PROVIDER, VANGUARD & HQY HAVE CREATED A CROSS-PLATFORM USER EXPERIENCE THAT WILL INTEGRATE PARTICIPANTS HSA IN FORMATION WITH OTHER RETIREMENT PLAN ACCOUNTS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning **01/01/2023** and ending **12/31/2023**

A Name of plan W. W. GRAINGER, INC. 401K PLAN	B Three-digit plan number (PN) ►	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 W. W. GRAINGER, INC.	D Employer Identification Number (EIN) 36-1150280	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: **BLACKROCK TOT RET BND FND CLASS T**

b Name of sponsor of entity listed in (a): **BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.**

c EIN-PN 47-1246942-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 50745
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a Name of MTIA, CCT, PSA, or 103-12 IE: **INVESCO STABLE VALUE FUND CL B1**

b Name of sponsor of entity listed in (a): **INVESCO TRUST COMPANY**

c EIN-PN 84-1142974-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 151409
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a Name of MTIA, CCT, PSA, or 103-12 IE: **VFTC TARGET RET 2020 TR SELECT**

b Name of sponsor of entity listed in (a): **VANGUARD FIDUCIARY TRUST COMPANY**

c EIN-PN 47-6935530-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 568926
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a Name of MTIA, CCT, PSA, or 103-12 IE: **VFTC TARGET RET 2025 TR SELECT**

b Name of sponsor of entity listed in (a): **VANGUARD FIDUCIARY TRUST COMPANY**

c EIN-PN 47-6938034-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1171397
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a Name of MTIA, CCT, PSA, or 103-12 IE: **VFTC TARGET RET 2030 TR SELECT**

b Name of sponsor of entity listed in (a): **VANGUARD FIDUCIARY TRUST COMPANY**

c EIN-PN 47-6938065-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2623074
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a Name of MTIA, CCT, PSA, or 103-12 IE: **VFTC TARGET RET 2035 TR SELECT**

b Name of sponsor of entity listed in (a): **VANGUARD FIDUCIARY TRUST COMPANY**

c EIN-PN 47-6941311-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3768024
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a Name of MTIA, CCT, PSA, or 103-12 IE: **VFTC TARGET RET 2040 TR SELECT**

b Name of sponsor of entity listed in (a): **VANGUARD FIDUCIARY TRUST COMPANY**

c EIN-PN 47-6941351-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5388212
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a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET 2045 TR SELECT		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 47-6944355-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8390299
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET 2050 TR SELECT		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 47-6944390-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10909277
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET 2055 TR SELECT		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 47-6948719-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8677835
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET 2060 TR SELECT		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 47-6948754-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3856505
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET 2065 TR SELECT		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 82-6200492-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1539293
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET 2070 TR SELECT		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 88-6098744-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2429
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET INCOME TR SELECT		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 47-6930815-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 331674
a Name of MTIA, CCT, PSA, or 103-12 IE: WILLIAM BLAIR SMID CAPCORE CIT		
b Name of sponsor of entity listed in (a): GLOBAL TRUST COMPANY		
c EIN-PN 27-6331814-016	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 182196
a Name of MTIA, CCT, PSA, or 103-12 IE: WW GRAINGER INC DEF CONTRIBUTION MT		
b Name of sponsor of entity listed in (a): W.W. GRAINGER, INC.		
c EIN-PN 86-6746935-001	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2680
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II **Information on Participating Plans (to be completed by DFEs, other than DCGs)**

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan W. W. GRAINGER, INC. 401K PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 W. W. GRAINGER, INC.	D Employer Identification Number (EIN) 36-1150280	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	463081	562664
(9) Value of interest in common/collective trusts	1c(9)	34243612	47611295
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	1782	2680
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1376058	3934147
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	36084533	52110786
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	44251	48812
k Total liabilities (add all amounts in lines 1g through 1j)	1k	44251	48812
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	36040282	52061974

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4462316	
(B) Participants	2a(1)(B)	5444788	
(C) Others (including rollovers)	2a(1)(C)	1018952	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		10926056
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	27184	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		27184
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	51270	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		51270
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		7081194
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		897
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		460787
c Other income	2c		9001
d Total income. Add all income amounts in column (b) and enter total	2d		18556389

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2488907	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)	2899	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2491806
f Corrective distributions (see instructions)	2f		3678
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	39213	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		39213
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2534697

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		16021692
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **ERNST & YOUNG**

(2) EIN: **34-6565596**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan W. W. GRAINGER, INC. 401K PLAN	B Three-digit plan number (PN) 002	
C Plan sponsor's name as shown on line 2a of Form 5500 W. W. GRAINGER, INC.	D Employer Identification Number (EIN) 36-1150280	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 23-2186884 Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? If the plan is a defined benefit plan, go to line 8.	☐ Yes ☐ No ☐ N/A
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.	
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a
b Enter the amount contributed by the employer to the plan for this plan year	6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c
If you completed line 6c, skip lines 8 and 9.	
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes ☐ No ☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes ☐ No ☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase ☐ Decrease ☐ Both ☐ No
---	--

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
---------	--

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes ☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to: a The corresponding number for the plan year immediately preceding the current plan year b The corresponding number for the second preceding plan year	15a 15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year: a Enter the number of employers who withdrew during the preceding plan year b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☒ Design-based safe harbor method ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q703218A</u> .	

Report of Independent Auditors

The Profit Sharing Investment Committee
W.W. Grainger, Inc. 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements

We have performed an audit of the financial statements of W.W. Grainger, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2023, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes (collectively referred to as the “financial statements”).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of December 31, 2023, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2023 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor’s Responsibilities for the Audit of the 2023 Financial Statements section

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Supplemental Schedule Required by ERISA

The supplemental schedule of assets (held at end of year) as of December 31, 2023 (referred to as the "supplemental schedule"), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2022 Financial Statements

We audited the financial statements of the Plan as of and for the year ended December 31, 2022 and expressed an unmodified opinion on those financial statements in our report dated September 19, 2023.

Ernst + Young LLP

October 4, 2024

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

W.W. Grainger, Inc. 401(k) Plan
December 31, 2023 and 2022, and for the
Year Ended December 31, 2023
With Report of Independent Auditors

Ernst & Young LLP



W.W. Grainger, Inc. 401(k) Plan

Financial Statements and Supplemental Schedule

December 31, 2023 and 2022, and for the Year Ended December 31, 2023

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Report of Independent Auditors

The Profit Sharing Investment Committee
W.W. Grainger, Inc. 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements

We have performed an audit of the financial statements of W.W. Grainger, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2023, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes (collectively referred to as the “financial statements”).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of December 31, 2023, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2023 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor’s Responsibilities for the Audit of the 2023 Financial Statements section

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Supplemental Schedule Required by ERISA

The supplemental schedule of assets (held at end of year) as of December 31, 2023 (referred to as the "supplemental schedule"), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2022 Financial Statements

We audited the financial statements of the Plan as of and for the year ended December 31, 2022 and expressed an unmodified opinion on those financial statements in our report dated September 19, 2023.

Ernst + Young LLP

October 4, 2024

W.W. Grainger, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

	December 31	
	2023	2022
Assets		
Investments, at fair value	\$ 51,545,442	\$ 35,619,670
Interest in W.W. Grainger, Inc. Defined Contribution Master Trust	2,680	1,782
Receivables:		
Notes receivable from participants	562,664	463,081
Total receivables	562,664	463,081
Total assets	52,110,786	36,084,533
Liabilities		
Accounts payable	48,812	44,251
Total liabilities	48,812	44,251
Net assets available for benefits	\$ 52,061,974	\$ 36,040,282

See accompanying notes.

W.W. Grainger, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2023

Additions

Contributions:

Employer	\$ 4,462,316
Participant	5,444,788
Participant rollovers	<u>1,018,952</u>
Total contributions	10,926,056

Net appreciation in fair value of investments	7,537,179
Net investment gain from plan interest in W.W. Grainger, Inc.	
Defined Contribution Master Trust	897
Interest and dividends	56,069
Interest income on notes receivable from participants	27,184
Other income	<u>3,897</u>
Total additions	18,551,282

Deductions

Benefits paid to participants	2,490,377
Administrative expenses	<u>39,213</u>
Total deductions	<u>2,529,590</u>
Net increase	16,021,692

Net assets available for benefits at beginning of year	<u>36,040,282</u>
Net assets available for benefits at end of year	<u><u>\$ 52,061,974</u></u>

See accompanying notes.

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2023

1. Description of the Plan

The following description of the W.W. Grainger, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established by W.W. Grainger, Inc. (the Company) for the benefit of certain of its employees and the employees of certain subsidiaries. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Eligibility and Contributions

An employee is eligible for participation in the Plan on the first day of employment with the Company and must be at least 18 years of age.

The Plan allows eligible participants to defer up to 75% of their eligible compensation, as defined in the Plan. The Plan has a Roth feature whereby participants may elect to make after-tax contributions to the Plan. Participants age 50 and older can make additional catch-up contributions. The Plan has a 3% automatic enrollment provision and annual escalation. Contributions for participants with a deferral election below 6% are generally increased 1% annually to a maximum of 6%. Both the automatic enrollment and annual escalation are subject to the participant's ability to opt out. Participants may also rollover qualified distributions from a previous employer into the Plan.

The Company makes a safe harbor non-elective contribution equal to 6% of participants' eligible compensation, as defined in the Plan, into their accounts each pay period. Both participant contributions and Company contributions are subject to certain limitations under the Internal Revenue Code (the IRC).

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Investment of Contributions

Participants direct their elective contributions into various investment options offered by the Plan and can change their investment options daily. The Company's contributions are invested in the same manner as that of the participant's elective contributions. Participants can invest up to 20% of their account balances in the Grainger Stock Fund using money from Company contributions only. Participants cannot direct employee contributions into the Grainger Stock Fund. The Grainger Stock Fund may also hold cash or other short-term securities, although these are expected to be a small percentage of the fund.

Participant Accounts

Each participant's account is credited with the participant's contributions and the Company's contributions and allocations of plan earnings and is charged with an allocation of administrative expenses. Plan earnings are allocated based on the participant's share of net earnings or losses of their respective elected investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their elective pre-tax, Roth after-tax and the Company's safe harbor contributions plus actual earnings thereon. Vesting in the Company's matching contributions, which were effective for plan years ending prior to January 1, 2021, was based on years of continuous service. A participant is fully vested after six years of credited service. Participants are immediately vested in profit sharing contributions provided by the Plan for plan years prior to January 1, 2021. In addition, a participant's account becomes fully vested upon the occurrence of certain specified events, including attainment of age 60, death, permanent disability, or entry into the United States military service.

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Forfeitures

Upon termination of employment, participants forfeit their non-vested balances. If a participant is rehired within a five-year period, the forfeited contributions may be reinstated. Forfeited balances of terminated participants' non-vested accounts are used to reduce future Company contributions or to pay administrative expenses of the Plan. Unallocated forfeited balances as of December 31, 2023 and 2022, were \$986 and \$17,308, respectively. For the 2023 plan year, forfeited non-vested accounts totaling \$8,000 were utilized to offset Company contributions to eligible participants.

Participant Loans

Participants may borrow from their account balance up to a maximum amount equal to the lesser of \$50,000, reduced by the highest outstanding loan balance in the prior 12 months, or 50% of their vested account balance. Participants may have only one loan outstanding at a time. The loan repayment term may be for a period not to exceed five years, or, if the purpose of the loan is to acquire a principal residence, the loan repayment term may be for a period not to exceed ten years. Loans bear interest at a rate commensurate with prevailing rates as determined by the Plan. Interest rates on all outstanding loans at December 31, 2023, were between 4.25% and 9.50%, which were the prevailing rates at the time of the loan. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon retirement, participants may elect to receive their account balance in a single lump-sum distribution, in substantially equal periodic installments over a reasonable period of time not to exceed their life expectancy or the joint life expectancy of the participant and spouse or another designated beneficiary, or in a combination of lump-sum and installment payments. Participants may elect to receive payment of the portion of their withdrawal attributable to amounts invested in the Grainger Stock Fund in the form of whole shares of the Company's common stock and cash in lieu of any fractional shares.

Any retiring or terminating participants whose vested account balance is greater than \$1,000 may elect to begin distribution of their vested amount at any time or may defer distribution, but no later than the time required by law. If a participant's vested account balance is \$1,000 or less, a single lump-sum distribution will be made as soon as practicable following retirement or termination of service.

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

The Plan allows for in-service withdrawals. In-service withdrawals are available in certain limited circumstances, as defined by the Plan. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the Internal Revenue Service (IRS), and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

The Grainger Stock Fund under the Plan is intended to constitute an employee stock ownership plan and provide for pass-through dividend treatment for participants who elect such treatment.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company and consist primarily of trustee fees for investments held outside the W.W. Grainger, Inc. Defined Contribution Master Trust (Master Trust), as provided by the Plan's provisions. Administrative expenses related to the Master Trust are allocated to the Plan and are reflected in the net investment gain from the Master Trust. Expenses relating to purchases, sales, or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. Expenses that are paid directly by the Company are excluded from these financial statements.

Plan Termination

Although the Company has expressed no intent to do so, it may terminate the Plan at any time, in whole or in part, subject to the provisions of ERISA. In the event of the Plan's termination, participants become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

Other

The Plan is intended to comply with the requirements of Section 404(c) of ERISA. Under ERISA Section 404(c), plan fiduciaries may be relieved of fiduciary liability for losses that result from the participants' independent investment decisions related to the Plan's investment funds.

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan have been prepared under the accrual method of accounting in conformity with United States generally accepted accounting principles (U.S. GAAP) as applied to defined contribution plans. A summary of the significant policies applied in the preparation of the accompanying financial statements follows.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments, including those investments held in the Master Trust, are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). See Note 4 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Plan withdrawals are recorded when paid.

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance, plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are recorded when they are incurred. No allowance for credit losses has been recorded as of December 31, 2023 or 2022. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

3. Investments

The following investment information was obtained or derived from information provided to the plan administrator and certified as complete and accurate by Vanguard Fiduciary Trust Company (Vanguard), the trustee of the Plan. The fair value of the investments held in the Master Trust were not certified.

	December 31, 2023
Investments at fair value certified by the trustee	\$ 51,545,442
Notes receivable from participants	562,664
	Year Ended December 31, 2023
Investment income certified by the trustee:	
Net appreciation in fair value of investments	\$ 7,537,179
Interest and dividends	56,069
Interest income on notes receivable from participants	27,184

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

3. Investments (continued)

	December 31, 2023
Information not certified by the trustee:	
Interest in W.W. Grainger, Inc. Defined Contribution Master Trust	\$ 2,680
	Year Ended December 31, 2023
Investment income not certified by the trustee:	
Net investment gain from plan interest in W.W. Grainger, Inc. Defined Contribution Master Trust	\$ 897

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

- Observable inputs other than quoted prices that are used in the valuation of the assets or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based upon the lowest-level input that is significant to the fair value measurement in its entirety.

The following is a description of the valuation techniques and inputs used for each general type of investment measured at fair value by the Plan and Master Trust:

Registered investment companies – Valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Common stock – Valued at the closing price reported on the active market on which the individual securities are traded.

Common/collective trust funds – Valued at the NAV provided by the administrator of the funds.

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

The following tables set forth by fair value hierarchy level the Plan's assets carried at fair value:

Assets at Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Assets				
Registered investment companies	\$ 3,934,147	\$ —	\$ —	\$ 3,934,147
Common/collective trust funds	47,611,295	—	—	47,611,295
	<u>\$ 51,545,442</u>	<u>\$ —</u>	<u>\$ —</u>	<u>51,545,442</u>
Plan interest in W.W. Grainger, Inc. Defined Contribution Master Trust (Note 5)				2,680
Total assets at fair value				<u>\$ 51,548,122</u>

Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Assets				
Registered investment companies	\$ 1,376,058	\$ —	\$ —	\$ 1,376,058
Common/collective trust funds	34,243,612	—	—	34,243,612
	<u>\$ 35,619,670</u>	<u>\$ —</u>	<u>\$ —</u>	<u>35,619,670</u>
Plan interest in W.W. Grainger, Inc. Defined Contribution Master Trust (Note 5)				1,782
Total assets at fair value				<u>\$ 35,621,452</u>

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

5. Investment in Master Trust

Certain of the Plan's investments are held in a Master Trust that was established for the investment of assets of the Plan and another Company-sponsored retirement plan. The Plan has specific interests in certain investments of the Master Trust based on account balances of the participants and their investment options. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Master Trust. At December 31, 2023 and 2022, the Plan's interest in the net assets of the Master Trust was less than 0.01%.

The following tables present the net assets of the Master Trust and the Plan's interest in the Master Trust:

	December 31, 2023	
	Master Trust Balances	Plan's Interest in Master Trust Balances
Investments:		
Grainger Stock Fund:		
Grainger common stock	\$ 131,980,484	\$ 2,671
Common/collective trust fund	445,577	9
Total investments	<u>132,426,061</u>	<u>2,680</u>
Pending trade purchases	—	—
Pending trade sales	—	—
Net assets at end of year	<u><u>\$ 132,426,061</u></u>	<u><u>\$ 2,680</u></u>

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

5. Investment in Master Trust (continued)

	December 31, 2022	
	Master Trust Balances	Plan's Interest in Master Trust Balances
Investments:		
Grainger Stock Fund	\$ 95,659,076	\$ 1,784
Total investments	95,659,076	1,784
 Pending trade purchases	(80,898)	(2)
Pending trade sales	—	—
Net assets at end of year	<u>\$ 95,578,178</u>	<u>\$ 1,782</u>

The following table presents the net appreciation in fair value of investments and investment income of the Master Trust for the year ended December 31, 2023:

Net appreciation in fair value of investments	\$ 45,238,013
Interest and dividend income	1,208,263
Total investment income	<u>\$ 46,446,276</u>

The following tables set forth by level, within the fair value hierarchy as described in Note 4, the Master Trust's assets carried at fair value:

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Grainger stock fund:				
Gringer common stock	\$ 131,980,484	\$ —	\$ —	\$ 131,980,484
Common/collective trust fund	445,577	—	—	445,577
	<u>\$ 132,426,061</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 132,426,061</u>

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Grainger stock fund	\$ 95,659,076	\$ —	\$ —	\$ 95,659,076
	<u>\$ 95,659,076</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 95,659,076</u>

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

6. Risks and Uncertainties

The Plan and the Master Trust provide for various investments that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits.

7. Related-Party and Party-in-Interest Transactions

The Company and Vanguard, provider of trustee and record-keeping services, are parties-in-interest as defined by ERISA. Certain plan investments are shares of the Company's common stock, shares of registered investment companies, and units of common/collective trust funds managed by Vanguard. As such, these investments qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

Certain administrative expenses of the Plan are paid by the Company. Members of the Committee of the Plan are employees of the Company.

8. Tax Status

The underlying pre-approved plan has received an opinion letter from the IRS dated June 30, 2020, stating that the written form of the underlying pre-approved document is qualified under Section 401 of the IRC. Any employer adopting this form of the plan will be considered to have a plan qualified under Section 401 of the IRC, and, therefore, the related trust is tax-exempt. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes the Plan is qualified and the related trust and Master Trust are tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

W.W. Grainger, Inc. 401(k) Plan

Notes to Financial Statements (continued)

9. Subsequent Events

Management evaluated subsequent events for the Plan through October 4, 2024, the date the financial statements were available to be issued.

Supplemental Schedule

W.W. Grainger, Inc. 401(k) Plan

EIN 36-1150280 Plan #002

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)

December 31, 2023

Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Registered investment companies:		
Vanguard Group of Investment Companies*	Vanguard Federal Money Market Fund	\$ 24,372
Vanguard Group of Investment Companies*	Vanguard Total Bond Market Index Fund: Inst'l Shr	489,228
Vanguard Group of Investment Companies*	Vanguard Total International Stock Index Fund: Inst'l Shr	341,377
Vanguard Group of Investment Companies*	Vanguard Total Stock Market Index Fund: Inst'l Shr	2,972,785
Harbor Capital Companies	Harbor Diversified International All Cap Fund; Retirement Class	106,385
		<u>3,934,147</u>
Common/collective trust funds:		
BlackRock Advisors, LLC Companies	BlackRock Total Return Bond Fund; Class T	50,745
Invesco Trust Company Companies	Invesco Stable Value Fund; Class B1	151,409
William Blair & Company, LLC Companies	William Blair SMID Core CIT; Class 2	182,196
Vanguard Group of Investment Companies*	Vanguard Target Retirement Income Trust Select	331,674
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2020 Trust Select	568,926
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2025 Trust Select	1,171,397
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2030 Trust Select	2,623,074
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2035 Trust Select	3,768,024
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2040 Trust Select	5,388,212
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2045 Trust Select	8,390,299
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2050 Trust Select	10,909,277
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2055 Trust Select	8,677,835

W.W. Grainger, Inc. 401(k) Plan

EIN 36-1150280 Plan #002

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year) (continued)

Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Common/collective trust funds (continued):		
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2060 Trust Select	\$ 3,856,505
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2065 Trust Select	1,539,293
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2070 Trust Select	2,429
		<u>47,611,295</u>
Participant loans*	Varying maturity dates with interest rates ranging from 4.25% to 9.50%	562,664
		<u>\$ 52,108,106</u>

*Indicates party-in-interest to the Plan.

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W.W. Grainger, Inc. 401(k) Plan

EIN 36-1150280 Plan #002

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)

December 31, 2023

Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Registered investment companies:		
Vanguard Group of Investment Companies*	Vanguard Federal Money Market Fund	\$ 24,372
Vanguard Group of Investment Companies*	Vanguard Total Bond Market Index Fund: Inst'l Shr	489,228
Vanguard Group of Investment Companies*	Vanguard Total International Stock Index Fund: Inst'l Shr	341,377
Vanguard Group of Investment Companies*	Vanguard Total Stock Market Index Fund: Inst'l Shr	2,972,785
Harbor Capital Companies	Harbor Diversified International All Cap Fund; Retirement Class	106,385
		<u>3,934,147</u>
Common/collective trust funds:		
BlackRock Advisors, LLC Companies	BlackRock Total Return Bond Fund; Class T	50,745
Invesco Trust Company Companies	Invesco Stable Value Fund; Class B1	151,409
William Blair & Company, LLC Companies	William Blair SMID Core CIT; Class 2	182,196
Vanguard Group of Investment Companies*	Vanguard Target Retirement Income Trust Select	331,674
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2020 Trust Select	568,926
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2025 Trust Select	1,171,397
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2030 Trust Select	2,623,074
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2035 Trust Select	3,768,024
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2040 Trust Select	5,388,212
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2045 Trust Select	8,390,299
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2050 Trust Select	10,909,277
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2055 Trust Select	8,677,835

W.W. Grainger, Inc. 401(k) Plan

EIN 36-1150280 Plan #002

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year) (continued)

Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Common/collective trust funds (continued):		
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2060 Trust Select	\$ 3,856,505
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2065 Trust Select	1,539,293
Vanguard Group of Investment Companies*	Vanguard Target Retirement 2070 Trust Select	2,429
		<u>47,611,295</u>
Participant loans*	Varying maturity dates with interest rates ranging from 4.25% to 9.50%	562,664
		<u>\$ 52,108,106</u>

*Indicates party-in-interest to the Plan.